

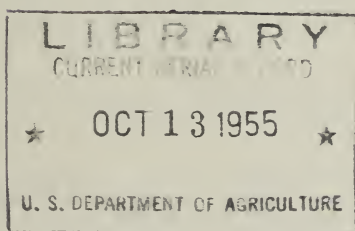
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Special Livestock Loans

... to Help
Livestock
Producers
Continue their
Normal Operations



PA-274

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U. S. Department of Agriculture
Farmers Home Administration
Washington 25, D. C.

SPECIAL LIVESTOCK LOANS

Purpose

The special livestock loan program is designed to help livestock producers continue their normal operations.

Who May Borrow

Established producers and feeders of cattle, sheep, and goats, except commercial feed lot operators, who:

1. . . . are temporarily unable to get from commercial banks, cooperative lending agencies, or other responsible sources, the credit needed to continue their normal livestock operations;
2. . . . have a good past record of livestock operations;
3. . . . have reasonable prospects for success with the help of a loan.

Uses of Loan Funds

These loans are made to meet usual expenses necessary to successful livestock operations, such as the purchase or production of feed, and replacing, hiring, or repairing of farm machinery and equipment. Loans also may be made for the limited restocking of herds, if the applicant can carry his present herd, plus the additional livestock to be purchased, without buying a substantial portion of his feed. Loans are not made to expand operations substantially or to pay existing debts, except current incidental bills.

Loan Terms

Loans bear 5 percent interest and are to be repaid as rapidly as possible, according to a schedule based on the applicant's ability to repay, but may not extend beyond 3 years. Loans will be secured in their full amount by the personal obligation and available security of the applicant. Other creditors are not asked to subordinate their liens, but are expected to stand by and to agree that a reasonable part of the applicant's normal income from livestock can be used in repaying the loan. The standby agreement is required to give the farmer a fair chance to work out of his difficulties resulting from the emergency.

Loan Approval

A State or local livestock loan committee, appointed by the Secretary of Agriculture, decides whether the applicant is eligible and approves the loan. An application for a loan of more than \$50,000 must have final approval by the Secretary.

Where To Apply

Applications for special livestock loans may be made at county offices of the Farmers Home Administration.

Authority

Public Law 38, 81st Congress, as amended, provides authority for making special livestock loans through July 13, 1957. After that date, and through July 14, 1959, special livestock loans may be made only to borrowers indebted for such loans.

